



Ian Dillner
Associate General Counsel
Federal Regulatory and Legal Affairs

1300 I Street, NW
Suite 500 East
Washington, DC 20005
Phone 202.515.2458
ian.dillner@verizon.com

March 6, 2019

**VIA ELECTRONIC FILING (PUBLIC VERSION)
VIA HAND DELIVERY (CONFIDENTIAL VERSION)**

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

ATTN: Thomas Sullivan, Chief, International Bureau

**Re: Notification of Acceptance of Terms and Conditions for Waiver of Benchmark Rate
for Cuba, IB Docket No. 10-95; MCI International, Inc. ITC-214-19961003-00486**

Dear Ms. Dortch:

MCI International, Inc. (“Verizon”)¹ submits for Federal Communications Commission (“Commission”) review the public version of its attached request to extend the previously granted waiver pursuant to the terms and conditions of the benchmark policy waiver applicable to U.S. carriers seeking to provide direct telecommunications services to Cuba as specified in the Commission’s *TeleCuba Waiver Order*, and as revised by the Commission’s *International Settlements Policy Reform Order* and the *Order Removing Cuba from the Exclusion List*.²

¹ MCI International, Inc., a Delaware corporation, holds authorizations to provide international telecommunications services. It is a wholly-owned subsidiary of MCI Communications Corporation, which is authorized to provide global international telecommunications services pursuant to ITC-214-19961003-00486, among other authorizations.

² *iConnect Wholesale, Inc. d/b/a TeleCuba, Petition for Waiver of the International Settlements Policy and Benchmark Rate for Facilities-Based Telecommunications Services with Cuba*, Memorandum Opinion and Order, 26 FCC Rcd 5217, ¶ 31 (2011) (“*TeleCuba Waiver Order*”); *International Settlements Policy Reform*, Report and Order, 27 FCC Rcd 15,521 (2012) (eliminating the International Settlements Policy and applying a modified version to Cuba) (“*International Settlements Policy Reform Order*”); *Removing Cuba from the Exclusion List for International Section 214 Authorizations*, Order, 31 FCC Rcd 194 (2016) (“*Order Removing Cuba from the Exclusion List*”).

REDACTED FOR PUBLIC INSPECTION

Verizon, by its attorneys, respectfully requests that the information redacted from the waiver extension request letter (“Extension Request”) attached hereto be withheld from public disclosure pursuant to sections 0.457 and 0.459 of the Commission’s Rules.³ The Extension Request contains highly sensitive commercial information that should be withheld from public disclosure under Freedom of Information Act (FOIA) Exemption 4 which covers “trade secrets and commercial or financial information [that are] privileged and confidential.”⁴ In particular, the Extension Request contains company-specific, confidential commercial and financial information that is not routinely available for public inspection and is customarily guarded from competitors.

Verizon is simultaneously submitting, under separate cover, an unredacted version of the Extension Request for review marked “CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE.”

In light of the above, Verizon respectfully requests that the Commission withhold from public disclosure the confidential, redacted portions of the Extension Request. Information in support of this request for confidential treatment and in response to Section 0.459(b) of the Commission’s rules, 47 C.F.R. § 0.459(b), is provided below.

1. **Specific information for which confidential treatment is sought, 47 C.F.R. § 0.459(b)(1).** Verizon requests confidential treatment for the information contained in the Extension Request which is redacted on the version of the document bearing the legend “REDACTED FOR PUBLIC INSPECTION” on each page, but is not redacted on the version bearing the legend “CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE” on each page. The redacted portions of the Extension Request contain detailed and highly sensitive commercial information, such as interconnection capacities and wireless service details.
2. **Circumstances giving rise to this submission, 47 C.F.R. § 0.459(b)(2).** The Extension Request is submitted pursuant to requirements established in connection with the *TeleCuba Waiver Order* as revised by the Commission’s *International Settlements Policy Reform Order* and the *Order Removing Cuba from the Exclusion List*.
3. **Degree to which the information is commercial or financial, or contains a trade secret or is privileged, 47 C.F.R. § 0.459(b)(3).** As discussed above, the redacted portions of the Extension Request contain sensitive commercial information that should be withheld from public disclosure pursuant to FOIA Exemption 4. 5 U.S.C. § 552(b)(4). The information is “confidential” in that it “would customarily not be released to the public.” *Critical Mass Energy Project v. NRC*, 975 F.2d 871, 873 (D.C. Cir. 1992); *see also Nat’l Parks and Conservation Ass’n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974) (noting that material is “confidential” if it would “cause substantial harm to the competitive position of the person from whom the information was obtained.”). Both of these considerations apply here, as explained in points (4) and (5) below.
4. **Degree to which the information concerns a service that is subject to competition, 47 C.F.R. § 0.459(b)(4).** The Extension Request relates to Verizon’s routing of international calls, which are subject to actual and potential competition. International calling services are undisputedly subject

³ 47 C.F.R. §§ 0.457, 0.459.

⁴ 5 U.S.C. § 552(b)(4).

to actual and potential competition from multiple competitors over a variety of platforms. *See, e.g.,* Federal Communications Commission, 2014 *International Telecommunications Traffic and Revenue Data*, DOC-340121 (revised Dec. 2017).

5. **How disclosure of the information could result in substantial competitive harm, 47 C.F.R. § 0.459(b)(5).** Confidential treatment is warranted where release of information would raise “the likelihood of substantial competitive injury” in a competitive market. *Public Citizen Health Research Group v. F.D.A.*, 704 F.2d 1280, 1291 (D.C. Cir. 1983) (quoting *Gulf & Western Industries v. U.S.*, 615 F.2d 527, 530 (D.C. Cir. 1979)). Release of the information contained in the redacted portions of the Extension Request, which reveals aspects of Verizon’s commercial operations, would cause Verizon competitive harm because competitors could use that information to undermine Verizon’s objectives and competitive position.
6. **Measures taken to prevent unauthorized disclosure, 47 C.F.R. § 0.459(b)(6).** The redacted portions of the Extension Request contain sensitive commercial information that Verizon has not released to the public and is of a type that it does not customarily release to the public.
7. **Whether the information submitted is available to the public and the extent of any previous disclosure of the information to third parties, 47 C.F.R. § 0.459(b)(7).** The redacted information contained in the Extension Request is not generally made available to the public or third parties.
8. **Period during which the submitted material should not be available for public disclosure, 47 C.F.R. § 0.459(b)(8).** Given the competitively sensitive nature of the redacted information provided in the Extension Request, Verizon requests that confidential treatment apply indefinitely. This period of time is necessary to prevent an unfair competitive advantage for Verizon’s competitors.
9. **Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted.** As described above, the information for which the exemption is requested is highly sensitive commercial information, submitted by Verizon, a non-government entity. It thus should be considered confidential. *See* 5 U.S.C. § 552(b)(4); *Nat’l Parks and Conservation Ass’n v. Morton*, 498 F.2d 765, 770 (D.C. Cir. 1974) (information required to be submitted to the government is considered to be “confidential” if disclosure is likely to harm substantially the competitive position of the person from whom the information was obtained); *see also Critical Mass Energy Project v. Nuclear Regulatory Comm’n*, 975 F.2d 871, 873 (D.C. Cir. 1992).

Therefore, for the reasons set out above, the Commission should withhold the redacted portions of the Extension Request from public inspection. Verizon additionally requests that the non-redacted version of the Service Agreement, which Verizon is submitting under separate cover, not be included in any publication while this request is pending.

March 6, 2019

Page 4

If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Ian Dillner". The signature is written in a cursive style with a prominent loop at the end of the last name.

Ian J. Dillner

cc: David Krech



Ian Dillner
Associate General Counsel
Federal Regulatory and Legal Affairs

1300 I Street, NW
Suite 500 East
Washington, DC 20005
Phone 202.515.2458
ian.dillner@verizon.com

March 6, 2019

**VIA ELECTRONIC FILING (PUBLIC VERSION)
VIA HAND DELIVERY (CONFIDENTIAL VERSION)**

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

ATTN: Thomas Sullivan, Chief, International Bureau

**Re: Notification of Acceptance of Terms and Conditions for Waiver of Benchmark Rate
for Cuba, IB Docket No. 10-95; MCI International, Inc. ITC-214-19961003-00486**

Dear Ms. Dortch:

In accordance with the Commission's *TeleCuba Waiver Order*,⁵ MCI International, Inc. ("Verizon") seeks a three year extension of the existing waiver⁶ of the benchmark rate applicable to telecommunications traffic directly between the United States and Cuba. Pursuant to this request, we reaffirm our acceptance of the terms and conditions of the Commission's waiver consistent with the process set forth in paragraph 32 of the *TeleCuba Waiver Order*.⁷ Should the Commission extend Verizon's existing waiver, the existing commercial relationship between Verizon and Empresa de Telecomunicaciones de Cuba S.A. (ETECSA) would continue under the Agreement on file with the Commission.⁸

⁵ *iConnect Wholesale, Inc. d/b/a TeleCuba, Petition for Waiver of the International Settlements Policy and Benchmark Rate for Facilities-Based Telecommunications Services with Cuba*, Memorandum Opinion and Order, 26 FCC Rcd 5217, ¶¶ 31-33 (2011) ("*TeleCuba Waiver Order*").

⁶ *See International Authorizations Granted*, Public Notice, 31 FCC Rcd 1827 (2016).

⁷ *TeleCuba Waiver Order*, ¶ 32.

⁸ Letter from Verizon to Marlene H. Dortch, IB Docket No. 10-95 (Mar. 3, 2016).

REDACTED FOR PUBLIC INSPECTION

March 6, 2019

Page 6

Since the original waiver, we have engaged ETECSA in good-faith negotiations and have made progress toward a mutual understanding of the need to reduce termination rates. However, despite these efforts, we still have not been able to negotiate a reduction in termination rates paid to ETECSA.⁹

Given this, there is good cause to extend the waiver. The Commission stated that “re-establishing direct links should be done in a way that benefits consumers” and promote “competition and lower international calling rates for services to Cuba.”¹⁰ This direct interconnection provides significant high quality connectivity to both end users and wholesale purchasers (and their end users). Indeed, pursuant to its existing waiver, Verizon established a direct interconnection over which it **BEGIN**

CONFIDENTIAL

END CONFIDENTIAL** each month.

Verizon’s ability to offer competitive rates is also impacted by the return traffic it receives from ETECSA as a result of the direct interconnection agreement. Direct interconnection has resulted in improved call quality by avoiding indirect routes with multiple hops¹¹ and reduces the possibility of fraud that might impact customers.

Apart from its direct interconnection agreement with ETECSA, Verizon also established a direct wireless roaming relationship with ETECSA. This roaming agreement, reached after the direct interconnection agreement was in place, provides a more efficient way for Verizon to provide its customers voice, data, and text messaging on their Verizon device and service plan while in Cuba.

If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,



Ian J. Dillner

cc: David Krech

Attachment

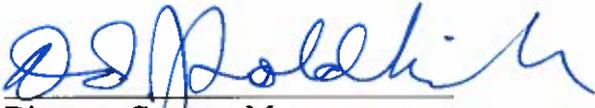
⁹ *TeleCuba Waiver Order*, ¶ 32 (Under the *TeleCuba Order*, the Commission is not required to identify a reduction in rates, but rather identify that “progress is being made toward the reduction of termination rates.”)

¹⁰ *Id.*, ¶ 15.

¹¹ *Id.*, ¶ 21 (anticipating that direct interconnection would “offer customers improved call quality (in terms of reduced latency and post-dial delay) and an alternative to currently available indirect services involving multiple hops at higher cost and lower quality.”).

CERTIFICATION

I, David Goldhirsh, Director, Contract Management, hereby certify that MCI International, Inc. accepts the terms and conditions for a waiver of the benchmark rate applicable to Cuba for U.S. carriers seeking to provide direct services between the United States and Cuba, as set forth in paragraph 31 of the Federal Communications Commission's April 8, 2011 Memorandum Opinion and Order in IB Docket No. 10-95, 26 FCC Red 5217.



Director, Contract Management
Verizon Partner Solutions
For MCI International, Inc.

Date: 03-06-2019